

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

UNITED STATES OF AMERICA	:	DATE FILED: _____
v.	:	CRIMINAL NO. _____
ARTHUR THOMAS	:	VIOLATION:
MARVIN MCCLAIN	:	18 U.S.C. § 286 (conspiracy to defraud the
	:	government with respect to claims -
	:	1 count)
	:	18 U.S.C. § 287 (false claims - 2 counts)
	:	18 U.S.C. § 2 (aiding & abetting)

INFORMATION

COUNT ONE

THE UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this Information:

1. Defendant ARTHUR THOMAS was engaged in the business of tax return preparation.
2. Defendant MARVIN MCCLAIN assisted defendant ARTHUR THOMAS in his tax preparation business.
3. PSP, a business known to the United States Attorney, acted as an Electronic Return Originator ("ERO") for the tax returns provided to them by defendants THOMAS and MCCLAIN and transmitted those returns electronically to the Internal Revenue Service (IRS).

THE CONSPIRACY

From in or about January 1999 to on or about April 15, 2001, in the Eastern District of Pennsylvania, defendants

**ARTHUR THOMAS, and
MARVIN MCCLAIN**

conspired and agreed, together and with others known and unknown to the United States Attorney, to defraud the United States and the Internal Revenue Service, an agency of the United

States, by obtaining and aiding others to obtain undeserved federal income tax refunds by presenting and causing to be presented false, fictitious and fraudulent claims, that is tax returns, to the IRS.

MANNER AND MEANS

_____ It was part of the conspiracy that:

4. Defendant THOMAS prepared returns for his clients so that they qualified for the Earned Income Credit (EIC). In order to qualify for the EIC, the taxpayer had to qualify as the “Head of Household,” have two qualifying dependents, and income of a certain amount. In preparing the tax returns for his clients with little or no income, defendant THOMAS prepared their returns to include Schedule C business income which the clients did not have. Generally, the Schedule C income reflected net income in the range of \$10,000. This income range, along with the dependents and head of household status usually resulted in a refund to the taxpayer of between \$2,000.00 and \$3,000.00. Defendant THOMAS’ fee for this service was as much as \$900 which he shared with other co-conspirators.

5. Defendant MCCLAIN brought the clients to defendant THOMAS’ office to have the fraudulent returns prepared. Once the fraudulent returns were prepared, defendant MCCLAIN accompanied the clients to PSP which electronically transmitted the tax return to the IRS, prepared the required 8453 Form for the taxpayer’s and the ERO’s signature, and subsequently mailed the 8453 Form to the IRS.

6. Generally the taxpayer’s refund in the form of a refund anticipation check was issued through PSP. To insure that defendants received their fees, defendant MCCLAIN accompanied the clients to PSP to pick up their refund check. Defendant MCCLAIN then accompanied the client to a check cashier to obtain the fee which was split amongst the conspirators, including defendants THOMAS and MCCLAIN.

OVERT ACTS

In furtherance of the conspiracy, the defendants, and others known and unknown to the grand jury, committed the following overt acts in the Eastern District of Pennsylvania and elsewhere:

1. In or about March 1999, defendant THOMAS prepared and caused to be prepared the 1998 tax return for K.P., a client of defendant THOMAS known to the United States Attorney, which falsely claimed business income.

2. On or about April 1, 1999, PSP electronically filed with the Internal Revenue Service K.P.'s 1998 tax return which claimed a refund of \$2,333.00.

3. In or about March 1999, defendant THOMAS prepared and caused to be prepared a tax return for L.C., a client of defendants MCCLAIN and THOMAS known to the United States Attorney, which falsely inflated L.C.'s business income.

4. On or about March 26, 1999, PSP electronically filed with the Internal Revenue Service L.C.'s 1998 tax return which sought a refund of \$2,172.00.

5. In or about March 1999, defendant MCCLAIN referred N.B., an individual known to the United States Attorney, to PSP for preparation of his personal tax returns.

6. In or about March 1999, defendant THOMAS prepared and caused to be prepared a tax return for N.B. which falsely claimed business income and included dependants that were not N.B's.

7. On or about March 30, 1999, PSP electronically filed with the Internal Revenue Service N.B.'s 1998 tax return which sought a refund of \$2,247.00.

8. In or about February 2000, defendant THOMAS prepared and caused to be prepared the 1999 tax return for L.C. which falsely claimed business income.

9. On or about February 8, 2000 PSP mailed to the Internal Revenue Service L.C.'s 1999 8453 Form which sought a refund of \$2,324.00.

10. In or about February 2000, defendant THOMAS prepared and caused to be prepared the 1999 tax return for K.P. which falsely claimed business income.

11. On or about February 15, 2000, PSP electronically filed with the Internal Revenue Service K.P.'s 1999 tax return which sought a refund of \$2,281.00.

12. In or about February 2000, defendant MCCLAIN provided information to defendant ARTHUR THOMAS for the preparation of the 1999 tax return for C.C., an individual known to the United States Attorney.

13. In or about February 2000, defendant THOMAS prepared and caused to be prepared the 1999 tax return for C.C. which falsely claimed business income.

14. On or about March 1, 2000, PSP mailed to the Internal Revenue Service C.C.'s 8453 Form which sought a refund of \$2,428.00.

15. In or about January 2000, defendant THOMAS prepared and caused to be prepared the 1999 tax return for N.M., an individual known to the United States Attorney, which falsely claimed business income.

16. On or about February 11, 2000, PSP electronically filed with the Internal Revenue Service N.M.'s 1999 tax return which sought a refund of \$2,323.00.

17. On or about March 1, 2000, PSP issued a refund anticipation check to N.M. in the amount of \$2,177.05 which represented her refund minus fees.

18. In or about January 2001, defendant MCCLAIN provided information to PSP for the preparation of the 2000 tax return for C.C.

19. On or about January 30, 2001, PSP transmitted electronically to the Internal Revenue Service C.C.'s 2000 tax return which falsely claimed business income and sought a refund of \$2,444.00.

20. In or about January and February 2001, defendant MCCLAIN assisted L.C. in the preparation of L.C.'s 2000 tax returns.

21. On or about February 5, 2001, PSP transmitted electronically to the Internal Revenue Service L.C.'s 2000 tax return which falsely inflated L.C.'s business income and sought a refund of \$2,322.00.

22. In or about February 2001, at the direction of defendant MCCLAIN, N.M. went to PSP for the preparation of her 2000 tax returns.

23. On or about February 7, 2001, PSP transmitted electronically to the Internal Revenue Service N.M.'s 2000 tax return which falsely claimed business income and sought a refund of \$2,579.00.

24. In or about January and February 2001, defendant MCCLAIN obtained information from C.C. for the preparation of C.C.'s 2000 tax returns.

25. On or about February 8, 2001, PSP issued a refund anticipation check to C.C. in the amount of \$2,183.05 which represented her 2000 refund minus fees.

26. On or about February 9, 2001, PSP transmitted electronically to the Internal Revenue Service N.B.'s 2000 tax return which falsely claimed business income and sought a refund of \$4,092.00.

27. In or about February 2001, defendant MCCLAIN provided information to PSP for the preparation of the 2000 tax return for K.C., an individual known to the United States Attorney.

28. On or about February 19, 2001, PSP transmitted electronically to the Internal Revenue Service K.C.'s 2000 tax return which falsely claimed business income.

29. On or about February 21, 2001, PSP transmitted electronically to the Internal Revenue Service C.C.'s 2000 tax return which falsely claimed business income and sought a refund of \$2,444.00.

30. In or about January through March 2001, defendant THOMAS assisted defendant MCCLAIN and others by providing advice concerning the preparation of tax returns.

In violation of Title 18, United States Code, Section 286.

COUNT TWO

THE GRAND JURY FURTHER CHARGES THAT:

On or about March 1, 2000, in the Eastern District of Pennsylvania,
defendant

ARTHUR THOMAS

knowingly made and presented and caused to be made and presented to the Internal Revenue Service, an agency of the United States Department of the Treasury, a claim against the United States for payment of a tax refund of \$2,428.00 on behalf of C.C., an individual known to the United States Attorney, knowing the claim to be false and fraudulent in that, as defendant then well knew, the claim was inflated by fictitious business income.

In violation of Title 18, United States Code, Sections 287 and 2.

COUNT THREE

THE GRAND JURY FURTHER CHARGES THAT:

On or about January 30, 2001, in the Eastern District of Pennsylvania,
defendant

MARVIN MCCLAIN

knowingly made and presented and caused to be made and presented to the Internal Revenue Service, an agency of the United States Department of the Treasury, a claim against the United States for payment of a tax refund of \$2,444.00 on behalf of C.C., an individual known to the United States Attorney, knowing the claims to be false and fraudulent in that, as defendant then well knew, the claim was inflated by fictitious business income.

In violation of Title 18, United States Code, Sections 287 and 2.

PATRICK L. MEEHAN
UNITED STATES ATTORNEY